

Office of the Chief Financial Officer

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Description	FY 2003 Actual	FY 2004 Approved	FY 2005 Proposed	% Change from FY 2004
Operating Budget	\$88,858,000	\$88,815,180	\$108,398,183	22.0
FTEs	895.3	930.0	969	4.2

The mission of the Office of the Chief Financial Officer (OCFO) is to provide financial management services to the government and the people of the District of Columbia to sustain long-term fiscal and economic viability.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Ensure that District spending remains within approved budgets and/or available revenues for the fiscal year so that no spending deficits occur.
- Maintain adequate cash balances, minimize receivables balances, increase the tax base and other income sources, limit new debt to 15 percent of outstanding debt, and remain within a maximum debt service ratio of 12 percent of local revenues to improve the District's bond rating and lower the cost of borrowed capital.
- Transition the District's budget and financial plan entirely to Performance Based Budgeting.
- Improve tax compliance by increasing collections from the accounts receivable balance and the non-filer population, as measured by revenues from research referrals.
- Improve customer service by:
 - Increasing the number of taxpayers filing electronically.
 - Reducing customer wait time in telephone and walk-in centers.
 - Improving customer access levels in the phone center, as measured by the rate of abandoned calls.
- Develop and implement a plan by program area and provide analysis to support the District's efforts to redress the structural imbalance.
 - Measure 1: Plans developed in each program area.
 - Measure 2: Actions from plans implemented.
 - Measure 3: Dollars received as a result of implemented action items.
- Develop and support financial systems (budget, payroll, CFO\$ource, SOAR, ITS, EIS, PASS) that provide accurate and timely information.
 - Measure 1: Reliability - System up time of 99.9 percent.
 - Measure 2: Accuracy - Data/reports tie to SOAR 100 percent of the time.

Funding by Source

Tables AT0-1 and 2 show the sources of funding and FTEs by fund type for the Office of the Chief Financial Officer.

Table AT0-1

FY 2005 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
General Fund						
Local Fund	72,989	74,099	72,794	94,760	21,966	30.2
Special Purpose Revenue Fund	7,552	5,822	8,645	9,180	535	6.2
Total for General Fund	80,542	79,921	81,439	103,940	22,501	27.6
Federal Payments	50	311	199	0	-199	N/A
Federal Grant	654	1,018	932	932	0	0.0
Total for Federal Resources	704	1,329	1,131	932	-199	-17.6
Intra-District Fund	7,352	7,608	6,245	3,526	-2,719	-43.5
Total for Intra-District Funds	7,352	7,608	6,245	3,526	-2,719	-43.5
Gross Funds	88,598	88,858	88,815	108,398	19,583	22.0

Table AT0-2

FY 2005 Full-Time Equivalent Employment Levels

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
General Fund						
Local Fund	864	804	811	892	81	10.0
Special Purpose Revenue Fund	37	16	23	28	5	21.7
Total for General Fund	901	820	834	920	86	10.3
Federal Resources						
Federal Grant	0	0	3	3	0	0.0
Total for Federal Resources	0	0	3	3	0	0.0
Intra-District Funds						
Intra-District Fund	133	75	93	46	-47	-50.5
Total for Intra-District Funds	133	75	93	46	-47	-50.5
Total Proposed FTEs	1,035	895	930	969	39	4.2

Expenditure by Comptroller Source Group

Table AT0-3 shows the FY 2005 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table AT0-3

FY 2005 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

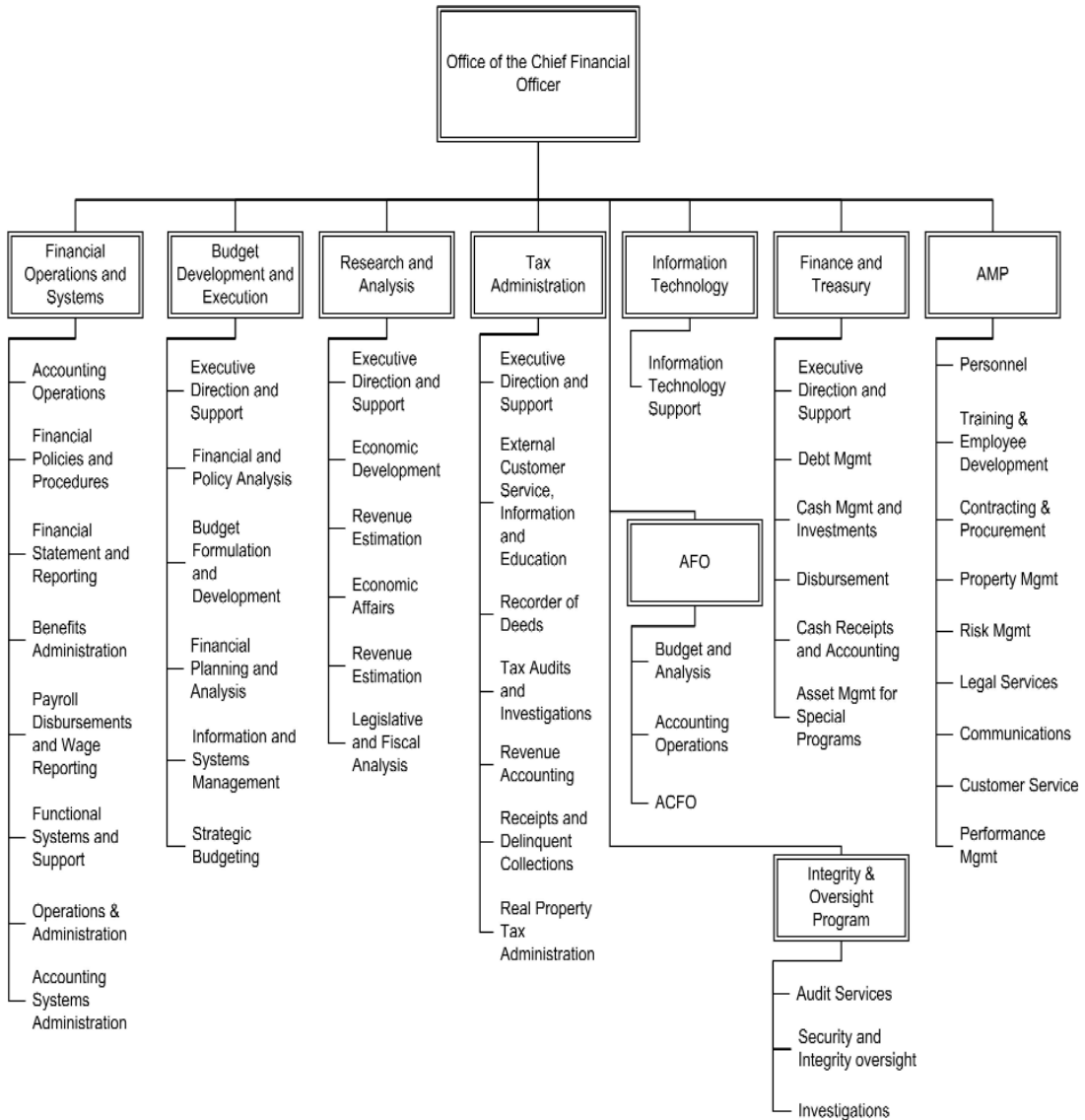
Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
11 Regular Pay - Cont Full Time	48,482	48,712	45,227	55,400	10,172	22.5
12 Regular Pay - Other	1,504	2,091	1,913	1,445	-468	-24.4
13 Additional Gross Pay	0	668	566	563	-4	-0.6
14 Fringe Benefits - Curr Personnel	8,544	8,858	8,433	9,467	1,034	12.3
15 Overtime Pay	653	180	386	389	3	0.8
99 Unknown Payroll Postings	0	0	0	0	0	0.0
Subtotal Nonpersonal Services (NPS)	59,184	60,510	56,525	67,264	10,739	19.0
20 Supplies And Materials	581	572	764	770	6	0.7
30 Energy, Comm. And Bldg Rentals	521	356	448	476	28	6.1
31 Telephone, Telegraph, Telegram, Etc	825	870	867	1,011	144	16.7
32 Rentals - Land And Structures	7,110	7,318	8,209	7,951	-259	-3.2
33 Janitorial Services	179	137	190	204	15	7.7
34 Security Services	684	766	782	890	107	13.7
35 Occupancy Fixed Costs	0	0	0	381	381	N/A
40 Other Services And Charges	5,536	5,644	6,263	7,551	1,288	20.6
41 Contractual Services - Other	11,166	11,583	13,239	20,282	7,043	53.2
50 Subsidies And Transfers	2,227	109	145	110	-35	-24.1
70 Equipment & Equipment Rental	585	993	1,382	1,509	127	9.2
Subtotal Nonpersonal Services (NPS)	29,414	28,348	32,290	41,134	8,844	27.4
Total Proposed Operating Budget	88,598	88,858	88,815	108,398	19,583	22.0

Expenditure by Program

The Office of the Chief Financial Officer has the following program structure.

Figure AT0-1

Office of the Chief Financial Officer



- Measure 3: Timeliness - Up to date reports available within 24 hours of transaction taking place.
- Measure 4: Accessibility - 90 percent of appropriate staff have necessary training and tools to access systems.
- Produce the District's Comprehensive Annual Financial Report on time with an unqualified, "clean" opinion.
- Develop a highly skilled and professional workforce as measured through 100 percent compliance and execution of Individual Development Plans by FY 2005. Plans should reflect specific milestones and targets for activities supporting employee growth (training, seminars, cross-training activities, and self help material).

Gross Funds

The proposed budget is \$108,398,183, representing a change of 22.0 percent over the FY 2004 approved budget of \$88,815,000. There are 969.0 total FTEs for the agency, an increase of 39 or 4.2 percent, from the FY 2004 approved budget.

General Funds

Local Funds. The proposed budget is \$94,759,707, which represents an increase of \$21,965,729 over the FY 2004 budget. There are 892.0 FTEs funded by local sources, which represents an increase of 81.0 FTEs from the FY 2004 budget.

Special Purpose Revenue Funds. The proposed Special Purpose Revenue funds budget is \$9,180,000 an increase of \$535,000 from the FY 2004 approved budget. This increase is primarily due to revised revenue certification for the unclaimed property program. There are 28.0 FTEs funded by Special Purpose Revenue sources, an increase of 5.0 FTEs over FY 2004.

Federal Grant Funds. The proposed budget is \$932,000, which represents a decrease of \$129,000 for the elimination of a federal payment from the FY 2004 approved budget. The source of Federal funding for FY 2005 is the Electronic Benefits Transfer Grant, which supports the Electronic Benefits Transfer program.

There are 3.0 FTEs funded by Federal sources, which represents no change from the FY 2004 approved budget.

Intra-District Funds

The proposed budget is \$3,526,476, which represents a decrease of \$2,718,726 from the FY 2004 approved budget. There are 46.0 FTEs funded by Intra-District sources, a decrease of 47.0 FTEs from the FY 2004 approved FTE level. FTEs (42.0) funded through Indirect Cost Recovery (IDCR) were transferred to the Local budget. The remaining FTEs were transferred out of the OCFO as a result of the transfer of the Competitive Services Grants unit out of the OCFO. Intra-District funds will be used to support various programs and initiatives such as cashier services, disbursing services and armored car services.

Programs

The Office of the Chief Financial Officer is committed to the following programs:

Financial Operations and Systems

	FY 2004	FY 2005
Budget	\$11,848,737	\$13,058,595
FTEs	134.0	135.0

Program Description

The **Financial Operations and Systems** program is responsible for the District's accounting operations, including critical functions such as District-wide general ledger accounting, financial reporting, and pay/retirement services. The program is responsible for producing the Comprehensive Annual Financial Report, which presents the District's financial position at the end of each fiscal year. The program also is responsible for developing accounting policies and procedures that support the automated System of Accounting and Reporting, the District's formal "books of record" as well as policies and procedures for multiple payroll systems. Throughout the myriad functions of the program and its activities, the current financial position of the District can be ascertained by local District elected and appointed leaders, as well as by District agencies. Related training, expertise

and assistance on SOAR are available, for the OCFO central cluster employees and agency financial staff. Services such as annuity payments, benefits administration, retirement statements, to name a few, are provided to former and retired District employees. Finally, a record of compensation and related payments for current District employees are provided so that each employee receives an accurate and timely paycheck.

Key activities associated with the Financial Operations and Systems program are:

- **Financial Policy and Procedures** - provides recorded references for standard government accounting practices (policies and theories) and guides for operation (procedures and process flows) for the District daily accounting function and the supporting automated system of record, to ensure that accounting and financial managers and their staff have the information required to do their job.
- **Accounting Systems Management/ Functional Integration Team** provides related training, expertise and assistance on the automated accounting system, coupled with generally accepted accounting principles, for the central OCFO cluster employees and agency financial staff so that they can improve performance of daily recording of accounting transactions and reporting of financial position within their agencies/activities.
- **Financial Control and Reporting** - provides statements of financial position for the Mayor, Council of the District of Columbia, U.S. Congress, District Managers, rating agencies and the general public so that they can make informed decisions based on timely and accurate financial information.
- **Benefits Administration** - provides annuity payments and related benefits for former and retired District employees so that they receive accurate and timely pension refunds, annuity checks and retirement statements.
- **Payroll Disbursements and Wage Reporting** provides a record of compensation and related payments for District employees so that they receive an accurate and timely paycheck.

- **Accounting Operations** - provides District-wide General Ledger accounting in order to maintain the official "automated book of record" on which the current financial position of the District can be ascertained by local District elected and appointed leaders, United States Congress, District agencies (directors, financial managers, and employees), public and private financial communities and the general public. Timely and accurate information on the District's financial position facilitates decision making by all parties.
- **Operations and Administration** - provides leadership, general program management, personnel, procurement, automated accounting system access security, fixed asset accountability and other logistical support services to OFOS' staff, so that they can provide general accounting services, specialized accounting systems management, payroll, financial reporting, accounting policies and procedures, and benefits administration for employees, agencies, and District leaders for their utilization in decision making. Additionally, this activity provides citizens with financial information so that they can keep abreast of the District's financial position.
- **Accounting Systems Administration** - provides SOAR "help desk" support, maintains centrally controlled SOAR profiles, monitors the general ledger balances and activities recorded in SOAR, prepares the roll forward to the new fiscal year, maintains closing instructions/forms, conducts SOAR closing workshops as required, performs financial analysis in support of the CAFR balances, and develops the District's central services cost allocation plan.

Program Budget Summary

This program has a gross funds increase of \$1,209,858, or 10.2 percent over the FY 2004 approved budget of \$11,848,737. This includes a Local funds increase of \$852,090, a Special Purpose Revenue funds decrease of 20,000, and an Intra-District funds increase of \$443,620. This change is primarily due to increases in Local

funds to support a 2.5 percent District-wide pay raise and re-unionization of the agency, adjustments to fixed costs, and increased operating costs to projects formerly funded by capital. The program supports 135.0 FTEs an increase of one FTE from the FY 2004 approved budget.

Key Result Measures

Program 1: Financial Policies and Procedures

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Anthony F. Pompa, Deputy Chief Financial Officer, Financial Operations and Systems

Supervisor(s): Dr. Natwar M. Gandhi, Chief Financial Officer

Measure 1.1: Percent of requested actions completed within five business days

	2003	Fiscal Year		2006
		2004	2005	
Target	95	95	95	95
Actual	95	-		

Measure 1.2: Percent of completed information requests that meet a 48 hour deadline

	2003	Fiscal Year		2006
		2004	2005	
Target	90	90	90	90
Actual	90	-		

Budget Development and Execution

	FY 2004	FY 2005
Budget	\$4,911,487	\$5,557,321
FTEs	62.0	62.0

Program Description

The Budget Development and Execution (BDE) program prepares, monitors, analyzes and executes the District government's budget, including operating, capital and enterprise funds, in a manner that facilitates fiscal integrity and maximizes services to taxpayers. The BDE also provides advice to policy makers on the District government's budget and has primary responsibility for expenditure forecasts. The program has responsibility for providing leadership and facilitating the development of such innovative budgeting practices as Performance Based Budgeting to improve the quality of the District government's budget-

ing processes, activities, and documents. Lastly, this program contributes to District-wide management reform efforts, including the Administrative Services Modernization Project, the pay-scale consolidation activities Anti-Deficiency Act, and performance management.

This program has six activities:

- **Executive Direction and Support** - provides general program management, leadership, technical assistance, and support services to the Office of Budget Development and Execution (BDE) staff and other District government personnel, so that they can provide financial planning, budgetary, performance and cost analysis for decision makers so they can make effective decisions and achieve strategic goals. It also provides citizens with information so that they may be informed on financial issues.
- **Information and Systems Management** - provides technology and information support to OBP staff so that they may accurately assess agency budgetary information.
- **Budget Formulation and Development** - provides financial and budgetary services to the Mayor and Council so they can have timely and accurate information to make informed decisions regarding allocating District resources against policy priorities.
- **Financial Planning and Analysis** - provides monitoring and reporting services to the Mayor, Council, District agencies, and Congress so they can have financial information to make informed decisions about the budget. Financial and Policy Analysis formulates and develops the annual budget, and provides financial policy documentation and analysis service, as well as information for the Executive Office of the Mayor (EOM), Council, OCFO, District agencies, and Congress so that they can maintain fiscal integrity and accountability, support effective decision-making, and receive timely responses to their inquiries.
- **Strategic Budgeting** - provides continual improvement on how the District presents its budgetary, financial, performance, and benchmark information to stakeholders so that they can make informed management

decisions about budgetary allocations.

- **Financial and Policy Analysis** - program formulates and develops the annual budget, and provides financial policy documentation and analysis, as well as information for the EOM, Council, District agencies, and Congress so that they can maintain fiscal integrity and accountability, support effective decision making, and receive timely responses to their inquiries.

Key initiatives associated with the BDE program are:

- Implement Phase four of PBB, enabling District agencies to develop their budgets around programs and results. The program facilitates agency business planning, resulting in identified programs and activities aligned with the citywide strategic plan. Agency budgets, in turn, are reformulated around a program structure so that the relationship between programs, funding, and results is more readily apparent.
- Begin benchmarking District programs for efficiency and effectiveness. Conduct performance comparisons over time and externally with other jurisdictions for the purpose of determining how well District programs operate with the goal of informing stakeholders so that they can make more informed resource allocation decisions.
- Develop a new District-wide budget system for formulating, executing, and analyzing the District's resources in conjunction with its performance. The goal of this initiative is to provide more timely and accurate financial information so that District managers are able to make more informed decisions about program resource allocations.

Program Budget Summary

This program has a gross funds net increase of \$645,834, or 13.1 percent over the FY 2004 approved budget of \$4,911,487. This includes a Local funds increase of \$2,265,905, and an Intra-District funds decrease of \$1,620,071. This change is primarily due to increases in Local funds to support a 2.5 percent district-wide pay raise and re-unionization of the agency, minor

adjustments to fixed costs, and increased operating costs to projects formerly funded by capital. The program supports 62.0 FTEs, one FTE from the FY 2004 approved level.

Key Result Measures

Program 2: Budget Development and Execution

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Bert Molina, Deputy Chief
Financial Officer, Office of Budget and Planning

Supervisor(s): Dr. Natwar M. Gandhi, Chief
Financial Officer

Measure 2.1: Number of agencies preparing performance-based budgets for the following year (cumulative total)

	2003	Fiscal Year		2006
		2004	2005	
Target	27	50	70	70
Actual	34	-	-	-

Measure 2.2: Number of agencies that reprogram more than 10% of budget

	2003	Fiscal Year		2006
		2004	2005	
Target	-	8	5	3
Actual	n/a	-	-	-

Measure 2.3: Spending pressures resolved by sources external to the agency, as percent of District's approved local budget

	2003	Fiscal Year		2006
		2004	2005	
Target	-	5	5	4
Actual	n/a	-	-	-

Measure 2.4: Percent of awarded grant funds lost due to lapse

	2003	Fiscal Year		2006
		2004	2005	
Target	1	1	1	1
Actual	n/a	-	-	-

Research and Analysis

	FY 2004	FY 2005
Budget	\$3,233,584	\$2,645,941
FTEs	33.0	24.0

Program Description

The **Research and Analysis** program is responsible for: 1) revenue estimation and revenue policy analysis; and, 2) analysis supporting economic development. Services included within this program area are: analysis of all revenue sources and development of revenue projections; development of fiscal impact statements for legislation; economic analysis and research in support of revenue estimation and special studies such as the bi-annual Tax Expenditure Study. Revenue Analysis is responsible for the revenue estimation and certification component of the budget, including revenue from taxes, and all other sources. This program has four activities:

- **Executive Direction and Support** - provides general program management, leadership, technical assistance, and support services to staff, so that they can provide research and analytical services on revenue and economic data and analysis of fiscal and administrative impacts to decision-makers.
- **Revenue Estimation** - provides economic and revenue data and analysis and District tax structure data and analysis for the Mayor, the Council, and the Congress, so they have timely and quality information for policy formulation and decision-making.
- **Economic Affairs** develops and presents documents detailing the economic and revenue affairs of the District of Columbia to other components of the OCFO, the Mayor, the Council, and the Congress so they have timely and quality information for policy formulation and decision-making.
- **Legislative and Fiscal Analysis** - provides legislative fiscal impact analysis for the Mayor, the Council, and the Congress, so they have timely and quality information for policy formulation and decision-making.
- **Economic Development** - program to provides analysis of fiscal, economic, financial, and/or administrative impacts of projects to the CFO, the Mayor, the Deputy Mayor for Economic Development and Council so they can appropriately assess economic development initiatives and ensure maximum economic benefit to the city.

Program Budget Summary

This program has a gross funds net decrease of \$587,643, or 18.2 percent from the FY 2004 approved budget of \$3,233,584. This includes a Local funds increase of \$687,357, a Special Purpose funds decrease of \$400,000, and an Intra-District funds decrease of \$875,000. This change is primarily due to increases in Local funds to support a 2.5 percent district-wide pay raise and re-unionization of the agency, the elimination of Special Purpose Revenue Funds in this program and the shift of Intra-District funds to Local funds. The program supports 24.0 FTEs, a decrease of 9.0 FTEs from the FY 2004 approved level.

Key initiatives associated with Research and Analysis are:

- Delivery of revenue estimates from tax and non-tax sources and timely preparation of the revenue chapter of the annual budget.
- Delivery of fiscal impacts of proposed legislation, and of fiscal analysis supporting potential policy initiatives.
- Analysis of dedicated revenue from fees, fines and charges (also referred to as O-Type revenue) and the associated policies.
- Maintain financial monitoring and analysis of economic development measures and active membership on the boards of the Washington Convention Center Authority, the Sports Authority, and National Capital Revitalization Corporation/Redevelopment Land Authority.

Key Result Measures

Program 3: Research and Analysis

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Julia Friedman, Deputy Chief Financial Officer, Revenue Analysis, and John Ross, Senior Advisor to the CFO and Director, Economic Development/TIF

Supervisor(s): Dr. Natwar M. Gandhi, Chief Financial Officer

Measure 3.1: Percent variation between the original binding revenue estimate as compared to actual revenue and the CBO estimate of federal revenue and actual federal revenue

	2003	2004	Fiscal Year 2005	2006
Target	5	5	5	5
Actual	n/a	-	-	-

Measure 3.2: Percent of ad hoc documents reviewed by ORA that do not contain factual errors

	2003	2004	Fiscal Year 2005	2006
Target	90	90	90	-
Actual	98	-	-	-

Note: The Financial Data Quality Assurance activity under which this key result measure falls will no longer be part of ORA due to a restructuring of the agency division. Consequently no FY 2006 target has been set.

Measure 3.3: Percent of applications for tax increment financing that are reviewed and processed within 120 days of receipt

	2003	2004	Fiscal Year 2005	2006
Target	80	80	80	80
Actual	100	-	-	-

Tax Administration

	FY 2004	FY 2005
Budget	\$40,558,279	\$52,227,336
FTEs	500.0	550.0

Program Description

The **Tax Administration program** provides fair, efficient and effective administration of the District's business, income, excise and real property tax laws. The tax administration program is divided into the following core activities: external customer service, deed recordation, real property tax assessment, tax audits and investigations, revenue accounting, and receipts and collections. This program has six activities:

- **External Customer Service** - provides walk-in and telephone customer service centers, which assist approximately 400,000 taxpayers annually, and works to resolve more complex tax cases, including hearing and review of first level tax appeals. This activity also consists of the development and distribution of public tax forms, support of various electronic tax filing and payment options, initiating and responding to mail correspondence

with taxpayers, and tax registration and certification.

- **Recorder of Deeds** - supports the transfer and titling of real property in the District of Columbia (approximately 172,000 documents in FY 2003), and responds to requests for title documents from individuals and the real estate/titling industry.
- **Real Property Tax Administration** - consists of the assessment and billing of real property taxes and first level assessment appeals. In FY 2003, the real property tax base of approximately 172,856 parcels had an assessed value of \$100.3 billion, an increase of 15 percent over FY 2002. Of this amount, \$36 million in assessed value was tax exempt. Real property tax collections for FY 2003 were \$498.7 million, or 96 percent, of the total tax levy, a 12.8 percent increase in collections over FY 2002.
- **Tax Audits and Investigations** - ensures tax compliance by identifying potential non-filers and performing other tax compliance checks to ensure that the District is collecting the correct amount of tax due from all taxpayers. This activity also identifies and investigates cases of tax fraud.
- **Revenue Accounting** - ensures the proper accounting and reporting on revenue collections, and supports issuance of more than 200,000 tax refunds annually (235,110 refunds issued in FY 2003, exceeding \$294 million).
- **Receipts and Delinquent Collections** - consists of the processing of more than a million tax returns annually, recording and prompt deposit of more than \$800 million in tax payments, and collection of delinquent tax payments, which was approximately \$91 million in FY 2003.

Program Budget Summary

This program has a gross funds increase of \$11,669,057, or 28.8 percent over the FY 2004 approved budget of \$40,558,279. This includes a Local funds increase of \$11,073,824, a Special Purpose Revenue funds increase of \$570,951, and an Intra-District funds increase of \$24,282. This change is primarily due to increases in Local

funds to support a 2.5 percent District-wide pay raise and re-unionization of the agency, adjustments to fixed costs, and increased operating costs to projects formerly funded by capital. Also, a 2 for 1 program in the audit and collection activity contributes to part of the increase in funds and FTEs. In addition, the change includes a transfer-out of \$110,985 and 1.0 FTE to the Office of Administrative Hearings. The program supports 550.0 FTEs an increase of 50.0 FTEs from the FY 2004 approved level.

Key Result Measures

Program 4: Tax Administration

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Daniel Black, Deputy Chief Financial Officer, Tax Administration

Supervisor(s): Dr. Natwar M. Gandhi, Chief Financial Officer

Measure 4.1: Percent of returns filed electronically

	2003	Fiscal Year		2006
		2004	2005	
Target	80	25	30	35
Actual	77	-	-	-

Note: This measure was previously written as "Percent of customers satisfied with information provided." There is no reliable survey tool to determine customer satisfaction, therefore the agency has redefined the measure.

Measure 4.2: Percent of documents filed electronically

	2003	Fiscal Year		2006
		2004	2005	
Target	85	2.4	3	3.5
Actual	100	-	-	-

Note: This measure was previously written as "Percent of recorded documents with complete and accurate information." The metric was not operationally useful, thus the agency changed it to "Percentage of documents (deed recordation, transfer, and UCC filings) filed electronically."

Measure 4.3: Ratio of assessment changes to total value of assessments appealed

	2003	Fiscal Year		2006
		2004	2005	
Target	75	5.5	6.5	6
Actual	52.4	-	-	-

Note: Measure originally worded as "Percent of assessments upheld on appeal." The revised measure better captures the accuracy rate of assessments, by calculating any changes made by BRPAA or the Superior Court as a percentage of assessments.

Measure 4.4: Delinquent account collections (in millions)

	2003	Fiscal Year		2006
		2004	2005	
Target	78	95	105	105
Actual	91.3	-	-	-

Note: The agency has reduced the FY 2005 target from \$115 million to \$105 million

Measure 4.5: Percent of refunds issued within 14 days

	2003	Fiscal Year		2006
		2004	2005	
Target	95	95	95	95
Actual	89	-	-	-

Information Technology

	FY 2004	FY 2005
Budget	\$5,444,783	\$9,542,491
FTEs	19.0	17.0

Program Description

The Information Technology (IT) program develops and maintains state-of-the-art financial information systems for the District of Columbia, payroll, pensions, SOAR and the Executive Information System. The principal CFO\$ource objectives of the program are to maintain accurate systems, modification of systems in response to the changing needs of the District, and maintain compliance with federal, state and local regulations. Other objectives are to provide the availability and performance to support the OCFO and the agency CFOs, track and resolve system problems, and comply with standard accounting and audit policies practiced in the District. IT also maintains an operation that is in compliance with basic IT policies and practices, maintains technical currency, avoids obsolescence, and promotes and encourages use of these systems as the official system of record. IT's program facilitates and extends access to the District's financial data, provides tools that enable analysis of the financial status of the agencies and the District in its entirety and supports SOAR. This facilitates high-level financial oversight for senior District management and policy makers. This program has one activity:

- **Information Technology Support** to provide computer hardware and software support and information services to department management and staff so they can use technologies to produce, communicate, and manage information without undue delay.

Program Budget Summary

This program has a gross funds increase of \$4,097,708, or 75.3 percent over the FY 2004 approved budget of \$5,444,783. This includes a Local funds increase of \$4,097,708. This change is primarily due to increases in Local funds to support a 2.5 percent district-wide pay raise and re-unionization of the agency, minor adjustments to fixed costs, and increased operating costs to projects formerly funded by capital. The program supports 17.0 FTEs, a decrease of 2.0 FTEs over the FY 2004 approved level.

Key initiatives associated with the Information Technology program are:

- Continue enhancement and planning of financial systems including the District's financial management system (SOAR) and its integration with payroll, cash management and reporting systems.
- Expand availability and utilization of EIS and CFO\$ource.

Key Result Measures

Program 5: Information Technology

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Maynard Gambrell, Chief Information Officer

Supervisor(s): Dr. Natwar M. Gandhi, Chief Financial Officer

Measure 5.1: Percent of payroll system project milestones completed on time and within budget

	Fiscal Year			
	2003	2004	2005	2006
Target	60	75	90	90
Actual	60	-	-	-

Measure 5.2 Percent of system available for users during regular business hours in order to assure that the District's accounting, budget, payroll, and tax systems provide timely, accurate, and reliable information

	Fiscal Year			
	2003	2004	2005	2006
Target	90	90	95	95
Actual	92	-	-	-

Finance and Treasury

	FY 2004	FY 2005
Budget	\$14,370,883	\$16,267,461
FTEs	87.0	87.0

Program Description

The **Finance and Treasury** program provides asset management services to the District, its agencies and its stakeholders so they can maintain maximum financial flexibility and return on investments. The program is divided into the following core activities: debt and cash management and investments, disbursements, cash receipts and accounting and asset management for special programs. This program has 5 activities:

- **Debt Management** provides for the issuance of bonds, notes and other financing activities for the District so that the District can maximize capital project capacity while maintaining future financing flexibility and finance any seasonal cash needs.
- **Cash Management and Investments** provides for the management of cash resources for the District, so that the District can meet its cash obligations and maximize interest income from cash resources.
- **Disbursements** provides check writing and dissemination services for District agencies, so that they can fulfill their financial obligations.
- **Cash Receipts and Accounting** provides revenue collection, auditing and recordation services for District agencies so that they can have accurate and timely revenue information.

- **Asset Management for Special Programs** provides custodial services to District residents, so that they can ensure maximum benefits in these programs.

Program Budget Summary

This program has a gross funds increase of \$1,896,578, or 13.2 percent over the FY 2004 approved budget of \$14,370,883. This includes a Local funds increase of \$1,013,071, a Special Purpose Revenue funds increase of \$384,049, and an Intra-District funds increase of \$499,458. This change is primarily due to increases in Local funds to support a 2.5 percent district-wide pay raise and re-unionization of the agency, minor adjustments to fixed costs, and increased contract costs to administer benefits for TANF and Food Stamps programs. The program supports 87.0 FTEs, no change from the FY 2004 approved level.

Key initiatives associated with the Finance and Treasury program are:

- Continue to manage the District government's creditworthiness, including debt management and the refinancing of debt whenever advantageous.
- Continue to improve cash management procedures and policies.
- Continue marketing the District's College Savings Plan.

Key Result Measures

Program 6: Finance and Treasury

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): N. Anthony Calhoun, Deputy Chief Financial Officer, Treasury Operations

Supervisor(s): Dr. Natwar M. Gandhi, Chief Financial Officer

Measure 6.1 Maximum annual debt service as a percent of total local revenues

	2003	Fiscal Year		2006
		2004	2005	
Target	13	13	13	13
Actual	8.8	-	-	-

Measure 6.2 Percent of banking service contracts whose costs are lower than the Phoenix Hecht index

	2003	Fiscal Year		2006
		2004	2005	
Target	100	100	100	100
Actual	100	-	-	-

Measure 6.3 Percent of checks and earning statements that meet payment schedule

	2003	Fiscal Year		2006
		2004	2005	
Target	100	100	100	100
Actual	100	-	-	-

Measure 6.4 Percent of unclaimed property returned to owners

	2003	Fiscal Year		2006
		2004	2005	
Target	30	35	37	39
Actual	29	-	-	-

Office of Integrity and Oversight

	FY 2004	FY 2005
Budget	\$2,027,064	\$2,036,020
FTEs	23.0	23.0

Program Description

The **Office of Integrity and Oversight (OIO)** program ensures that accountability, integrity and efficiency are maintained in the District of Columbia's financial management and tax administration systems. Through its audit and investigative activities, OIO provides the Chief Financial Officer with an independent review and appraisal of OCFO operations and assures the maintenance of the highest standards of integrity and security of OCFO employees. This program has three activities:

- **Audit Services** provides audit/review services to assist the District's financial managers in the promotion of integrity, efficiency, and effectiveness in District programs; to manage the review and response to external audit reports; and to coordinate District single audits and management letter comments for District agencies so that they can improve operations.
- **Security Integrity Oversight** provides security and integrity oversight for the OCFO by administering the emergency response program for the OCFO and conducting integri-

ty probes and integrity awareness presentations aimed at detecting and preventing fraud and other misconduct in OCFO programs.

- **Investigations** maintains public confidence in the integrity of the OCFO by investigating alleged misconduct by OCFO employees, as well as by conducting background investigations to determine suitability for employment. This investigative service provides reports to OCFO management so that they can take administrative action as appropriate.

Program Budget Summary

This program has a gross funds net increase of \$8,956, or 0.4 percent over the FY 2004 approved budget of 2,027,064. This includes a Local funds increase of \$350,933, a Federal Payment decrease of \$139,174, and an Intra-District funds decrease of \$202,803. This change is primarily due to increases in Local funds to support of a 2.5 percent district-wide pay raise and re-unionization of the agency. The program supports 23.0 FTEs, no change from the FY 2004 approved level.

Key initiatives associated with OIO are:

- Expand the audits of financial systems to assure data security and integrity.
- Strengthen the background check program and integrity training for OCFO employees.

Key Result Measures

Program 7: Internal Audit/Internal Security

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Sebastian Lorigo, Director Internal Audit and Internal Security

Supervisor(s): Dr. Natwar M. Gandhi, Chief Financial Officer

Measure 7.1: Percent of audit recommendations that are fully or partially implemented or resolved

	Fiscal Year			
	2003	2004	2005	2006
Target	90	90	90	90
Actual	92	-	-	-

Measure 7.2: Percent of approved security needs implemented

	Fiscal Year			
	2003	2004	2005	2006
Target	100	100	100	100
Actual	100	-	-	-

Measure 7.3: Number of investigation reports issued that are returned for additional information or investigation due to deficiencies in the investigation

	Fiscal Year			
	2003	2004	2005	2006
Target	4	4	4	4
Actual	0	-	-	-

Agency Management

	FY 2004	FY 2005
Budget	\$5,681,405	\$6,239,978
FTEs	62.0	61.0

Program Description

The **Agency Management (AMP)** program primarily supports the Citywide Strategic Priority area of Making Government Work. The purpose of the Agency Management program is to provide the operational support to the agency so they have the necessary tools to achieve operational and programmatic results.

Program Budget Summary

This program has a gross funds decrease of \$180,205, or 2.8 percent from the FY 2004 approved budget of \$6,420,183. This includes a Local funds decrease of \$249,026, a Federal payment decrease of \$59,646, and an Intra-District funds increase of \$128,467. This change is primarily due to the creation of the Agency Financial Operation (AFO) program. The program supports 61.0 FTEs, a decrease of 11 from the FY 2004 approved level.

Key Result Measures

Program 8: Agency Management

Citywide Strategic Priority Area(s): Making Government Work

Manager(s): Lucille Dickinson, Chief of Staff and Joanne Smoak, Director, Office of Management and Administration

Supervisor(s): Dr. Natwar M. Gandhi, Chief Financial Officer

Measure 8.1: Dollars saved by agency-based labor management partnership project(s)

	2003	Fiscal Year		2006
		2004	2005	
Target	-	-	-	-
Actual	n/a	-	-	-

Note: Although agencies established their initial labor-management partnership projects in FY 2003, very few had cost savings as objectives. Agencies will continue ongoing projects and/or establish new projects by the third quarter of FY 2004. Cost savings will be tracked for this measure for those projects that have cost savings as a key objective.

Measure 8.2: Percent variance of estimate to actual expenditure (over/under)

	2003	Fiscal Year		2006
		2004	2005	
Target	-	5	5	5
Actual	n/a	-	-	-

Note: KRM 8.2 will be reported in FY 2004 (1/10/04).

Measure 8.3: Cost of Risk

	2003	Fiscal Year		2006
		2004	2005	
Target	-	-	-	-
Actual	n/a	-	-	-

Note: This measure replaces "Percent reduction of employee lost work-day injury cases." Cost of Risk will be a comprehensive measure of a wide range of risks confronting each agency, including but not limited to safety issues, financial risks, and potential litigation. Agencies will establish a baseline in FY 2004 (FY 2005 for PBB III agencies) and will seek to achieve reductions in the Cost-of-Risk in subsequent years. Lost workdays due to injuries will be one of many components of the Cost-of-Risk formula (1/9/04).

Measure 8.4: Rating of 4-5 on all four telephone service quality criteria: 1) Courtesy, 2) Knowledge, 3) Etiquette and 4) Overall Impression

	2003	Fiscal Year		2006
		2004	2005	
Target	-	4	4	4
Actual	4.71	-	-	-

Measure 8.5: Percent of Key Result Measures achieved

	2003	Fiscal Year		2006
		2004	2005	
Target	-	70	70	70
Actual	84	-	-	-

Note: OCFO met or exceeded targets for 21 of 25 measures for which data was available.

Agency Financial Operations

	FY 2004	FY 2005
Budget	\$738,778	\$823,039
FTEs	10	10

Note: FY 2004 program funding levels are presented for comparison purposes only. The Agency Financial Operations program did not exist for FY 2004 as it is new for PBB agencies in FY 2005.

Program Description

The purpose of the Agency Financial Operations program is to provide comprehensive and efficient financial management services to and on behalf of District agencies so that the financial integrity of the District of Columbia is maintained. This program is standard for all Performance-Based Budgeting agencies. More information about the Agency Financial Operations program can be found in the Strategic Budgeting Chapter.

For more detailed information regarding the proposed funding for the activities within this program please see schedule 30-PBB in the FY 2005 Operating Appendices volume.

